

Paying for health equity: can financial incentives help close the health gap?

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Many healthcare systems share a common goal: to reduce the gap in lifetime health between people from different socio-economic backgrounds. In England, general practitioners (GPs) receive additional payments for providing high quality evidence-based care, such as managing the blood pressure of patients with diabetes. However, the current prices paid for these activities are not designed with an eye towards reducing health inequalities. As a result, high quality care is more often delivered to people who live in wealthier parts of the country.

Our research explored if the NHS could redesign these quality payments to actively promote health equity. Using the payment system that currently operates in primary care - the Quality Outcome Framework (QOF) - as a case study, we developed a methodology to predict how GPs would change their clinical effort if the financial rewards for specific care activities were changed. We tested several scenarios, such as increasing the payment for treating patients from the most deprived areas while simultaneously reducing the payment for treating the least deprived. This allowed us to evaluate the inevitable trade-offs between increasing total population health (efficiency) and narrowing the health gap (equity).

We demonstrated that financial incentives can be used to direct more healthcare, and thus more health benefits, towards specific socio-economic groups. Even in scenarios where these targeted incentives result in a slight reduction in overall population health, they can still produce a net improvement in societal welfare. This is based on what we know about the degree to which the general population has an aversion to health inequality.

Our study provides a practical blueprint for policymakers who want to use the NHS to tackle health inequalities. By embedding equity concerns directly into the pricing of health services, the NHS can use financial incentives to direct healthcare activity towards the patients who need it most - ultimately supporting a fairer health system.

[Read the full paper, funding sources and disclaimers in Value in Health](#)

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